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# Your savings and investments

## Pattern of performance

BY CHRISTOPHER HILL

THIS IS the week for performance statistics of various categories of funds, the most prominent being the unit trusts compiled by the magazine *Planned Savings*. According to *Planned Savings* only one of five trusts have outperformed the FT Ordinary Index so far this year (to May 1)—mainly because of the dullness of most foreign stockmarkets by comparison with the U.K. The difference is that many funds took at least a proportion of overseas stocks last year—meanwhile the home stockmarket as measured by the FT Ordinary Index has risen by over 22 per cent in the first four months of this year.

M & G Recovery is still the best performing trust in 1977 and the fund also has an excellent record over other periods. Other best performers include a number of small growth funds including the Group Growth and Framlington Capital which have performed at other times in the past. The bottom funds over four months mainly include international and American oriented funds such as Lawson American and Henderson North American due to the dull state of the U.S. market. It can very easily be "all change" in the

unit trust field, but once funds have built up a big lead in the early stages they very seldom slip back.

As for investment trusts, the Association of Investment Trust Companies has issued performance statistics over various periods to end-March 1977. Taking the 50 trusts which constitute the FT Actuaries Investment Trusts Index (approximately 60 per cent of the whole sector), the results are slightly more encouraging than usual over the past year—in one sense at least. This is that, although the average net asset performance of the trusts (+5.4 per cent) has failed to beat the FT All-Share Index (+7.2 per cent), the share price performance has improved as measured by the Actuaries Investment Trust Index. This record over other periods underlines the real problem for investors: whatever investment performance they achieve in net asset terms, the effect is wiped out by a fall in share prices. Over 10 years up performing list. Income funds are also still in evidence. The share index at +106.6 per cent, compared with +87.6 per cent. But the growth in share prices is only 70.5 per cent.

Looking at other popular forms of investments, according to statistics by *Money Management* magazine, property bonds

## SHAREHOLDERS

in some of the major newspaper groups must be asking themselves at the moment whether the interests of their directors are the same as their own. Could it not be argued, they may well think, that the directors are frittering away profits generated by the other parts of their empires on newspapers which will never make a profit and which are being kept for reasons other than purely commercial ones?

The fear is not new, of course. When Lord Beaverbrook bought the *Daily Express*, so many years ago he openly admitted that his aim was to buy an outlet for his political views—not a profit centre. Since then it has become the pattern for the *Times* to make a loss each year which is borne by the Thomson family and not by the publicly quoted Thomson Organisation. Now, the proposed purchase of the *London Evening Standard* by Associated Newspapers, publishers of its rival the *Evening News*, has highlighted the endemic losses on still more newspapers.

It appears that the *Standard*, though temporarily trading at a profit after the 1p rise in the cover price, is heading for losses of £2m a year. This looks

## Weighing up newspapers

BY CHRISTINE MOIR

fairly modest beside the losses on the *News* which may be as high as £5m. What is more, in the Beaverbrook camp the *Daily Express* is losing money at a slightly higher rate than the *Standard*, and at Associated the *Daily Mail* is unable to stem much of the News outflow given profits of around £1m. At least the *Sunday Express* at Beaverbrook is healthy enough to leave the group apparently trading at break-even before interest charges.

Last year Associated made pre-tax profits of just over £8m; this year the market is looking for £12m. The profit centres are first of all oil and secondly the solid provincial newspaper chain. Without the national and London paper the group would already have reached the £12m mark.

The impossible burden of redundancy costs of around £5,000 per employee in a labour-intensive industry, is one reason why companies which already own newspapers may be locked lower of £2m a year. This looks

long been a method of diversification for newspaper groups. Rupert Murdoch's *News International* saw profits rise to £16.6m from £13.5m last year, after the purchase of the *New York Post* and two New York magazines. One element was a 40 per cent rise in the profit contribution from its stake in *London Weekend Television*. *United Newspapers*, which owns the *Sheffield Morning Telegraph* and *Punch* among a host of illustrious provincial titles in newspapers and magazines, also owns *Radio Hallam* in *Sheffield*. Including *Associated Newspapers*, where *London Broadcasting* is turning the corner out of loss, these groups are expecting good news from their television and radio associates again this year.

But the best news is awaited by the groups which have no interests. One of the strengths of the Thomson Organisation is its North Sea options which it is thought could produce profits of as much as £65m this year and possibly £300m over the next six years. A similar oil involvement is precisely why *Associated* has the upper hand over *Beaverbrook* in the proposed purchase of the *Evening Standard*. It has a 12 1/2 per cent stake in the *Argyll oil field* which gives it the financial strength which *Beaverbrook* lacks.

## A much livelier trend

THE STRONG market recovery this year has resulted in a much livelier performance among pension funds according to figures issued by pension consultants Harria Graham and partners, with U.K.-based equity funds leading the way. Over the first three months of 1977 the top ten exempt equity funds all had rises of over 20 per cent, compared with an increase of 17.8 per cent in the FT-Actuaries All-Share Index. The top performer this time was the Schroder Recovery which, as the name implies, goes for the special situations which offer good growth prospects, with a rise of 37.1 per cent. Unicorn Exempt-Keyser Ullmann Equity, Key

Exempt and Britannia Exempt Fixed-interest investment has been receiving a lot of attention in the past six months and performance this year has justified pensions funds going into this sector. The top fund *London Life Fixed* recorded a rise of 22.9 per cent in the first three months with *Sun Alliance Fixed* having an increase of 22.1 per cent. Those that went overseas to the American or Far-East markets are showing substantial losses this year, but Europe seems to be the worst investment market a depressed base. PUPPIUT of all with *Barbican European* rose by 9.8 per cent. The days showing a loss of 25.6 per cent when property values could be expected to rise dramatically are over.

The performance of the mixed funds in the pension field shows that perhaps at last the fund managers are getting it right. *London Life Mixed* lead the field with a rise of 21.9 per cent, but the average increase of 16.2 per cent compares favourably with the All-Share Index. It certainly outperformed prices and earnings over the first three months which rose by 4.8 per cent and 4.1 per cent, respectively.

But pension fund investment is for the long term, since its

liabilities have an average period of at least 25 years. Over the 12 months to end-March 1977, the top equity funds managed to beat the All-Share index, but since pensions are linked to earnings and prices, the acid test of performance is did it beat the Retail Price Index. Over this period only 13 equity funds out of the 49 analysed kept ahead of the RPI. The best performance over the 12 month period came from fixed interest with *Keyser Ullmann* rising by 32.8 per cent. But since Consols 2 1/2 per cent advanced by 32.6 per cent (with income reinvested) over the same period.

ERIC SHORT

Trust	Over 4 months		Over 12 months		Over 4 years	
	% gain	Trust	% gain	Trust	% gain	Trust
M & G Recovery	55.6	M & G Recovery	48.3	T & G Vanguard High Yld.	110.5	
Perpetual Grp. Growth	49.4	London Wall Spec. Sits.	37.6	Hill Samuel Dollar	97.5	
Hambro Smaller Cos.	44.9	M & G Special	31.0	Gartmore American	65.4	
London Wall Spec. Sits.	41.4	Piccadilly Tech.	30.6	M & G Recovery	63.4	
Radex Union	37.4	Framlington Cap.	29.0	British Life Balanced	51.8	
Gibbs Growth	37.4	Ionian Inc.	28.4	Remington/Rowan Secs.	51.6	
Framlington Inc.	36.9	London Wall Extra Inc.	27.4	Framlington Inc.	50.3	
Oceanic High Inc.	36.1	Key Energy Industries	26.7	S & P Energy Inds.	48.8	
Framlington Cap.	35.8	London Wall High Inc.	26.1	Midland Drayton Intl.	48.4	
Hambro Recovery Sits.	35.6	Lawson Raw Materials	25.8	Canlife Income	47.4	

## Travel's boom and gloom

LOSSY figures from the Department of Trade about Britain's tourist receipts, and the scramble of investors trying to get into the London hotel scene, form the picture of what is not an altogether pleasant travel scene. British holidaymakers at home fell substantially last year and there is little indication that it is going to recover in the summer of 1977. Thus whatever the joys of those involved in the foreign tourist business may be, he who looks to the British had better look out.

Discovering just what this means in detail, however, is not difficult, than it seems. Foreign tourists are spreading their wings. The Scandinavians are thick on the rolling country; the French already 100,000 people have had their holiday arrangements changed to some extent. Commenting on the Code of Conduct of the Association of British Travel Agents, which in theory forbids major changes to holiday arrangements without a money back offer, one man told me "ABTA is letting the trade get away with murder."

The truth is, of course, that ABTA is faced with attempting to enforce its Code and perhaps already fiercely competitive bankrupting some members, or

turning a misty eye if not blind eye and justifying this by saying better a changed holiday than no holiday at all.

A sign of the crisis which is affecting the whole industry is the way in which cheap seats are being poured onto the market by tour operators, much to the irritation of the scheduled airlines.

Civil Aviation Authority rules say that tour companies can only sell seats if they are part of a package trip. This rule is now so badly bent as to be unenforceable.

Market leader Thomson, part of the Thomson Organisation, has introduced its Airfares scheme, and now Cosmos has countered with Budgets with the same lead price of £35 for a round trip flight to Spain. Between the two of them a passenger can get to almost anywhere in the nearer Mediterranean basin for less than £60, and to most places considerably less.

In the case of the two brand leaders there might be enough fat there to absorb this sort of battle, but for others in the business this may not be the case.

ARTHUR SANDLES

### Anyone with £5,000 plus to invest deserves some very special treatment

Up to now, the medium-sized investor has had limited opportunity to benefit from active professional management in the fixed interest field.

Our own specialist expertise, for example, has been confined mainly to the large portfolios of such clients as banking institutions, superannuation funds, building societies, Lloyds underwriters and substantial private clients.

Now, however, we're making this professional management available to every investor with over £5,000 to invest, through two new schemes: the Capital Fund and the Income Fund.

The Capital Fund is the obvious choice for higher rate tax payers, since it will concentrate on maximum capital returns.

The Income Fund is of special interest to lower rate tax payers, as it will provide a high initial rate of return.

The schemes are not unit trusts and so have none of the tax disadvantages associated with a fixed interest unit trust. You actually own the securities yourself.

At the same time, in order to save costs on dealing and so that we can provide a high level of constant management, all individual portfolios are managed as one large portfolio.

There is an initial charge of 1 1/4 per cent and an annual fee of 1/2 per cent subject to a minimum fee of £50 a year (V.A.T. is applicable).

The investment emphasis is on gilt-edged stocks which, under knowledgeable and flexible management, have provided some good investment opportunities over recent years.

However, the schemes allow scope for investment over the whole fixed-interest field including corporation stocks, treasury bills, local authority bonds, sterling certificates of deposit and corporate debentures.

For the private investor, this is an attractive, but highly complicated, investment area. To succeed you need continuing access to information, the skill to make rapid and correct dealing decisions, and the ability to assess trends and 'feel' impending interest rate changes.

No-one is better placed to give your investment this very special treatment than Clive Investments, with its central position in the fixed-interest market and established reputation for successful performance.

For further information write or phone Michael Evans.


**THE CAPITAL FUND**

**Clive Investments Ltd**

1 Royal Exchange Avenue, London EC3V 3JU. Telephone: 01-283 1101 or 01-283 2373

**THE INCOME FUND**

## A £100,000 legacy could leave your children homeless.



If you're relatively well off you should ask yourself this question: Can your children afford your generosity? Because if your will is very good to them, it may be too good. Thanks to Capital Transfer Tax.

For a start, a house, car, property, antiques, works of art, cash, insurance policies and other things you own can add up to a healthy total.

And on an estate of around £100,000 as much as £28,250 could be due in tax within six months of your death. (On a £500,000 company that figure would rocket to £264,750).

It might involve your children selling the family home to pay the tax man.

Not even Houdini could have escaped, the way Capital Transfer Tax is structured. But you can do something about it.

NPI has produced a booklet which deals very simply with the complexities of the tax. It shows the rising scale of tax—the more you leave, the more it will cost your children.

It also shows how you can provide for the tax with life assurance, which is not taxable on maturity, and which qualifies for tax relief now.

It shows how you can reduce the tax liability (and a lot of worry to your heirs) by taking action now.

So if you think your estate might leave a burden, as well as a blessing, on your children, get in touch with your broker. Or send for NPI's booklet on Capital Transfer Tax.

All it will cost you is the price of a postage stamp.

To: Norman Worley, National Provident Institution, 48 Gracechurch Street, London EC3V 0BB.

Please send me your booklet 'Capital Transfer Tax'.

Name \_\_\_\_\_

Address \_\_\_\_\_

FTTL/1

**National Provident Institution**  
 National Provident Institution is a mutual life assurance company founded in 1855. It now has 125,000 policyholders and over £200,000,000 assets.

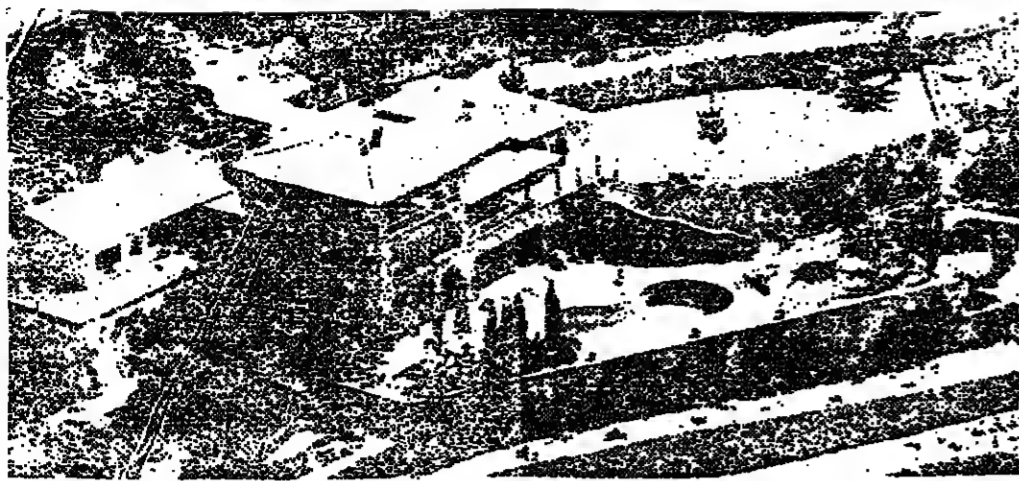








Property



It's the little and expensive things that make a holiday home perfect. Like the occasional Louie XVI fireplace; the multi-tuigular butler who happens to be married to a marvellous cook; six acres of manicured gardens with a massive swimming pool, and a house where luxury is built-in as a basic minimum.

The architectural specification called for maximum comfort and minimum trouble. So, for a start, the house was given its own private water, electricity, and gas supplies. In addition to the owner's suite there are four other bedrooms each with its own bathroom/shower. The main entertaining room is suitably large, and there is also a separate dining room and library/study.



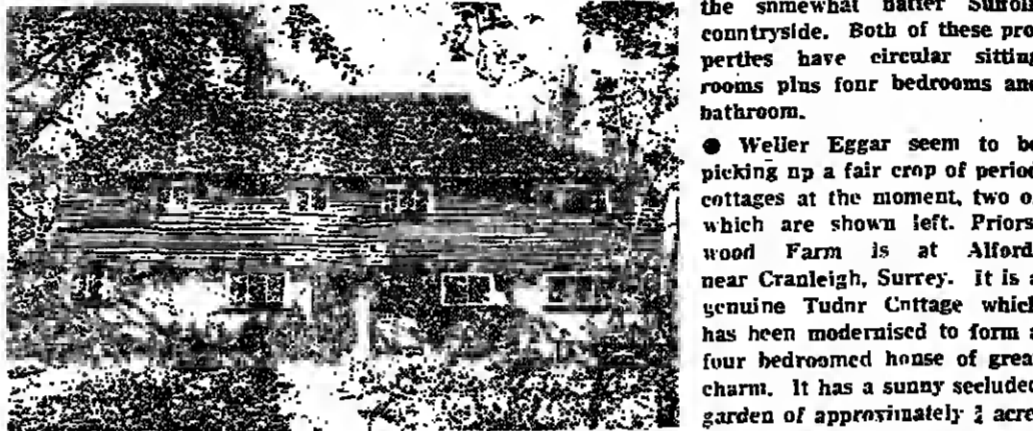
For those who prefer vertical as opposed to horizontal living the two properties shown above could prove attractive. Presumably one needs a good pair of larys special landmark on high legs and a head that does not swim from over use of circular stairs.

near Chesham, Bucks, and is for sale through the Amersham office of Hammett Raftery for about £16,000. It is a particularly good pair of larys special landmark on high legs and a head that does not swim from over use of circular stairs.

Low-rise profile BY JOE RENNISON

AS USUAL there seems to be some confusion among the experts about how much house prices have risen recently. The unifying factor is, however, that the panic rises have been pretty small and not expected to rise significantly except in the area of a few bullish estate agents.

Following the subsequent reduction in the rate, the housing market has shown some signs of picking up. Mr. J. R. Thomas of the RICS commented: "It is only to be hoped that, with the reduction of the mortgage rate, the building societies will be able to keep up the improved availability of money."



At Compton, near Guildford, there is a very attractive pair of period cottages located in the centre of the village immediately opposite the part Saxon part Norman Church. They originally formed part of the Eastbury Manor Estate and are for sale as a pair or individually.

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Chess

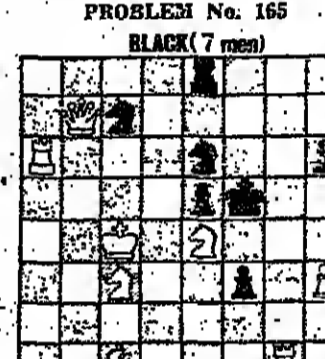
Russian triumph

HELD in a Moscow circus arena before a capacity audience, the European team championship final last month sometimes felt to the hard-pressed England players like a home vs. Christians episode with themselves as the victims.

The score table shows the clear Russian superiority. Totals were USSR 41, Hungary 31, Yugoslavia 20, Romania 20, Czechoslovakia 21, Bulgaria 21, Poland 21, West Germany 21, and the other teams at 10 or less.



BLACK (11 moves) Bobby Fischer (White, 15 moves) looked on the verge of defeat in this position from a blitz game against Reshevsky. The threat BxQ is difficult to meet—but was there a saving resource for Bobby?



White mates in two moves against any defence (by A. Gooderson, The Problemist 1974 Solutions Page 2)

PROPERTY ESTATES AND FARMS OVERSEAS PROPERTY LONDON AND COUNTRY PROPERTY LAND FOR SALE

Advertisement for Connells, featuring a family house of enormous character in Tottenham Green, London, N.20, overlooking the Green and the Valley, with 12 acres.

Advertisement for Cluttons, featuring a fine woodland investment in Ellesmere, Shropshire, with 383 acres and valuable mature hardwoods.

Advertisement for a fine country mansion in North Yorkshire, suitable for conversion to flats or hotel, office or institutional use.

Advertisement for G.W. Plinn & Sons, featuring a fine residential dairy and stock farm in East Kent, Church Street Farm, Nonington, Nr. Dover, Kent.

Advertisement for Pages Farm, Mayfield, Sussex, a fine residential dairy and stock farm, with 232 acres.

Auction notice for a large property in Kent, including Temple Farm, Whitfield, Canterbury-Folkstone, and Little Standard Hill Farm, Elham.

Advertisement for Bridge Expert Advice, featuring a new edition of The Play of the Cards by Terence Reese and Albert Dormer.

Advertisement for West Suffolk, Bury St. Edmunds, featuring a large detached house with a garden and a swimming pool.

Advertisement for Carter Jones, featuring an agricultural investment in Cambridgeshire, including a Rectory Farm and a Farmhouse & Buildings.

Advertisement for a large detached house in North Yorkshire, with 5 bedrooms and a large garden.

Advertisement for a large detached house in North Yorkshire, with 5 bedrooms and a large garden.

Handwritten signature or mark at the bottom of the page.









Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY



A Saab 99 saloon, flanked by heavy trucks made by Saab-Scania (left) and Volvo (right).

Shrugging off the gloom

OUTSIDE the markets, it has not been the best of weeks. The engineers have voted against extension of pay restraint, and the miners will certainly do the same against any attempt...

One real effort The equity market has pushed energetically past a three and a half year high with what appears to be very little regard to the day-to-day news...

Message realistic While threats remain, notably from disputes over unmoderate pay demands, the whole situation looks more manageable than—and a low level of activity may also do something to damp down militancy...

A surprise Swedish marriage

BY TERRY DODSWORTH and GEOFFREY OWEN

THE long and apparently inexorable process of rationalisation in the European motor industry took an unexpected turn yesterday with the announcement of a proposed merger between the two Swedish companies, Volvo and Saab-Scania.

WORLD'S LEADING HEAVY TRUCK PRODUCERS (ABOVE 15 TONS) IN 1975

Table with 2 columns: Company, Units. Lists Daimler-Benz, Saab-Scania & Volvo, Iveco, Mack, Hino, Int. Harvester, Renault, Mitsubishi, General Motors, Ford, White, Nissan, British Leyland.

Like most of the leading Swedish manufacturing concerns, they are almost wholly dependent on exports and it has always seemed an oddity that they should battle it out against each other in their small home market...

Both companies have in the process of rationalisation been much flower, especially at the heavy end where until recently there was a large number of small companies...

their strengths and minimising their weaknesses. Volvo has established a world reputation for its sound, conservative engineering, and Saab, with its aviation background, has shown an adventurous flair in the kind of cars and trucks it has produced...

accolades down the years and was a pace-setter in its time, has been on the roads for many years.

Volvo began to try to break out of this straightjacket with the takeover of the Daf car business two years ago.

Both companies have in the past been masters of playing to

saloon—the old Daf 66—and a new medium-size hatchback model, launched last year as the 313.

Nothing, however, seems to have gone right with the deal. The new car proved to be more expensive than it should have been, and was treated sceptically except by the most loyal Volvo supporters...

At the same time, Volvo has been hit hard in the U.S., where its sales dipped last year—after peaking at 60,338 in 1975, they slumped to 43,887.

But it is still true to say that both companies have been something of engineering purists, and it is not easy to see them relinquishing control over this aspect of their business.

FINANCIAL RESULTS Table with 3 columns: Metric, Volvo 1975, Saab-Scania 1975. Rows include Sales, Income before taxes, No. of employees worldwide.

Letters to the Editor

Inflation From Mr. W. Alenby Sir—The argument of Mr Adler's letter (May 4) is not against devaluation, but against inflation.

Even an optimistic forecast of U.K. cost inflation of 18 per cent for 1977/78, down to 10 per cent for 1978/79 and 7 per cent for 1979/80 will add up to 40 per cent over the next three years.

Unconsulted From Mrs. A. McEwen Sir—Mr. Samuel Brittain's proposals (May 3) of ways to avoid closing museums and libraries for one day a week are ingenious. But I am afraid they are unlikely to be adopted.

Yardsticks From Mr. N. Blackwell Sir—Your correspondents, Dr. F. E. Jones and A. H. Barry (April 27), suggest that the proportion of added value distributed as wages is an appropriate yardstick to use as a basis for income policy negotiations.

They expressed the same sentiment which I felt.

Attitudes From Mrs. S. Troughton-Smith Sir—I am encouraged to learn from David Churchill's report (April 29) on the views of women that ICI is taking this matter seriously.

Films From Mr. J. Lawrence Sir—I was pleased to see your report (April 30) on the appointment of the interim action committee on the film industry, and the announcement of the 10 members of the committee.

Enraged From Mr. J. Franklin Sir—I do not intend to discuss the merits of "Mr. Porter" as a piece of musical theatre, since I have not yet seen this production. I did, however, see the Metropolitan Theatre's previous production "Bye-bye Birdie" on three occasions, and it was a critic's

so, even once, then he would have heard "Night and Day" and learnt more of Mr. Porter's talent.

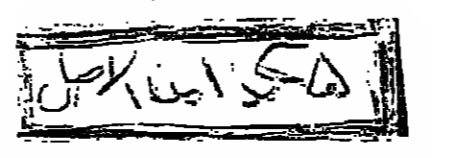
Doctors From Mr. A. Lamb Sir—The "family doctor" seems to have gone out of existence. He has been replaced by appointment schemes, health clinics and other awe-inspiring (or frighteningly) named creatures.

Costs From Mr. R. Collin-Smith Sir—Local government reports Mr. Max Wilkinson (May 3), has shown little interest in word processing, "possibly because it has not felt the same pressure to reduce costs as private industry."

Midnight From Mr. J. Mochin Sir—I should like to support the views of D. C. Rickard (May 2) and also comment on David Wannan's article (April 30) on taxation of overseas earnings.

Enraged From Mr. J. Franklin Sir—I do not intend to discuss the merits of "Mr. Porter" as a piece of musical theatre, since I have not yet seen this production. I did, however, see the Metropolitan Theatre's previous production "Bye-bye Birdie" on three occasions, and it was a critic's

Advertisement for Patek Philippe watches. Features a large image of a watch and text: 'N. Breguet PATEK PHILIPPE ONE OF THE WORLD'S COSTLIEST WATCHES IS MADE OF STEEL'.



LOCAL COUNCIL ELECTIONS

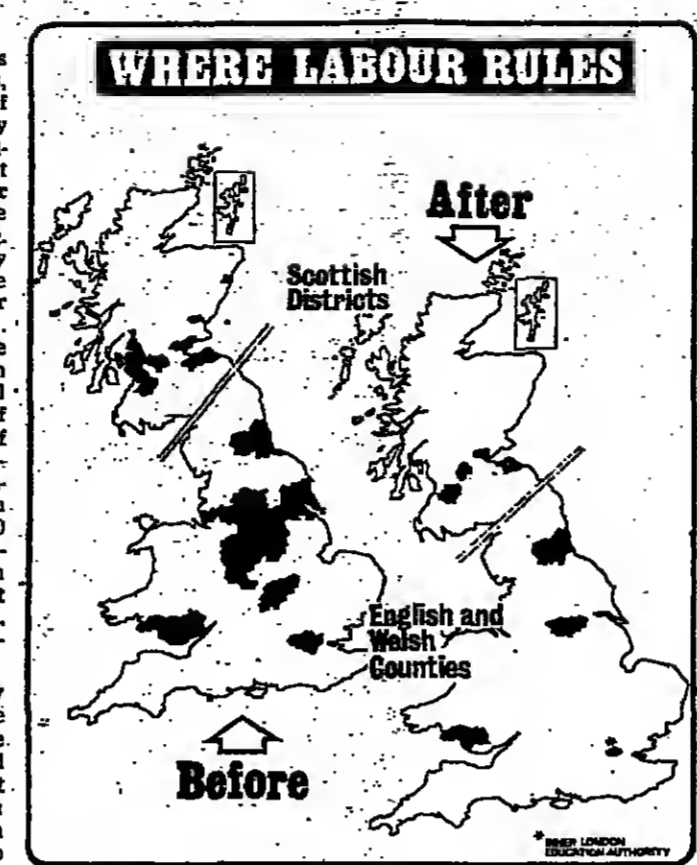
BY COLIN JONES

Few consolation prizes for the losers

THE GARNISH among Labour and Liberal candidates in this week's GLC and county elections was the worst...

Conservatives or less galling to their Labour and Liberal opponents in the conurbations...

Even worse for Labour has been the loss of council seats, which help to provide some of the cement for local party political activity...



really believe that it secured authority in each area. In Greater London and the four metropolitan counties...

A year ago the break-away four metropolitan counties National Party won two district council seats at Blackburn...

council policies and programmes. In Greater London, one of the first moves Mr. Horace Cutler, the Conservative leader...

In the larger and more industrial counties, the overall swing from Labour to the Conservatives since May 1973...

In the 115 Liberal or non-metropolitan council Labour surrendered control to the Conservatives in seven of the eleven councils it had held since 1973...

For the Liberals, Thursday was even more disastrous. The Party had managed to win one district council (Inverclyde) and had made some useful albeit modest advances elsewhere...

cluding, most notably, Merseyside, West Yorkshire, Berkshire, Dorset, Devon, and North Yorkshire where the Liberals had previously been a significant force...

Nor can the other parties or groupings find much consolation in the results. In West Glamorgan, South Yorkshire and one or two other places local...

LABOUR NEWS

Civil Service staff to step up action

BY DAVID CHURCHILL, LABOUR STAFF CLERICAL civil servants are to round off pay policy... Separate sectional conferences with the union had already voted approval...

CBI offers Government deal if Bullock plans are dropped

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT THE CONFEDERATION of trade union worker directors on company Boards, let alone giving them parity with shareholders...

Economic Diary

SEVEN-NATION week-end summit meeting opens to-day, 10 Downing Street. MONDAY - British, American, French and West German leaders discuss Berlin, Downing Street...

THURSDAY - Meeting of National Union of Mineworkers' executive. Scottish Conservative Party conference opens, City Hall, Perth...

Few defied one-day strike, say journalists

BY ALAN PIKE, LABOUR STAFF THE NATIONAL UNION of Journalists said yesterday that only three or four of its 8,000 members in the Provincial field...

Milk will cost 2p a pint more after subsidy ends in autumn

BY RICHARD MOONEY U.K. RETAIL milk prices will go up by 1p to 11p a pint from May 22 and by a further 1p during the autumn...

Anglo American Investment Trust Limited (Incorporated in the Republic of South Africa)

Extracts from the review by the Chairman, Mr. H. F. Oppenheimer. I refer members to my statement to the shareholders of De Beers Consolidated Mines Limited...

Massey-Ferguson men take over gatehouse

BY OUR GLASGOW CORRESPONDENT MASSEY-FERGUSON'S 1,200 Scottish employees, who have seen an end to a strike at its Coventry factory earlier this year...

France claims new fuel process

BY DAVID FISHLICK, SCIENCE EDITOR FRENCH GOVERNMENT scientists have discovered a process for the enrichment of uranium for nuclear fuel...

Table with 3 columns: Date (March 31 1977, March 31 1976, December 31 1974), Equity capital and reserves, Investment income, etc.





WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Early profit-taking: off 4

BY OUR WALL STREET CORRESPONDENT
A SLIGHT REACTION developed on Wall Street today following some profit-taking despite an other favourable Government report on the economy...

increase in U.S. Money Supply which could exert additional pressure on interest rates. Some Domestic Oils moved against the general trend...

OTHER MARKETS
Canada lower
Canadian Stock Markets turned lower in moderate trading yesterday morning...

THURSDAY'S ACTIVE STOCKS
Stocks closing up: Occidental Petroleum, Revco U.S., Lockheed Aircraft...

Indices

NEW YORK - DOW JONES
Industrial 945.44, HomeBldg 81.12, Transport 228.55, Utilities 109.92, Trading vol 1007.2

NEW YORK, May 6. Winterthur little changed after it agreed to buy two Canadian insurance companies from CNA Financial Corporation of Chicago...

U.K. and Canadian stocks firm. Gold Mines little changed. German and U.S. issues mixed...

Other Markets
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OVERSEAS SHARE INFORMATION

NEW YORK, Stock, May 6. London, Paris, Amsterdam, Frankfurt, Zurich, Milan, Rome, Athens, Tokyo, Hong Kong, Singapore, etc.

F.T. CROSSWORD PUZZLE No. 3374
A prize of £3 will be given to each of the senders of the first three correct solutions opened...

RACING BY DOMINIC WIGAN
It may be the day for Night Before

Crossword puzzle grid with numbers 1-31 and clues for Across and Down.

PETER WALWYN, whose four-year-old Oats proved at Chester on Thursday that he has come on a great deal over the close season...

GERMANY, PARIS, AUSTRALIA, TOKYO, BRUSSELS/LUXEMBOURG, STOCKHOLM, AMSTERDAM, JOHANNESBURG, VIENNA, COPENHAGEN, SWITZERLAND, MILAN, OSLO

SOLUTION AND WINNERS OF PUZZLE No. 3368
Following are the winners of last Saturday's prize puzzle: Mr. R. V. Cunningham, Traquill, Goy, Jersey C.I.

SPAIN
Doruera 199, Clara 22, Paredes Reunidas 196, Perrier 192, Pirelli 192, Pirelli 192, Pirelli 192...

BRASILEIRO
May 6, Price, Div. Yld.
Amstam 1.4500, Baur 1.1500, Baur 1.1500, Baur 1.1500...





Table of British Funds (680) with columns for fund names, dates, and prices. Includes funds like British American, British Overseas, and British World.

This week's SE dealings

Table of stock market dealings for the week of May 5-7, 1977. Lists various companies and their share prices.

SE improves operating results by £2.2m.

BY MARGARET REID. THERE was a £2.2m. improvement in the operating results of the Stock Exchange in the year to March 24, 1977, when a surplus of £1.1m. replaced a deficit of the same size in 1976-7.

SE improves operating results by £2.2m.

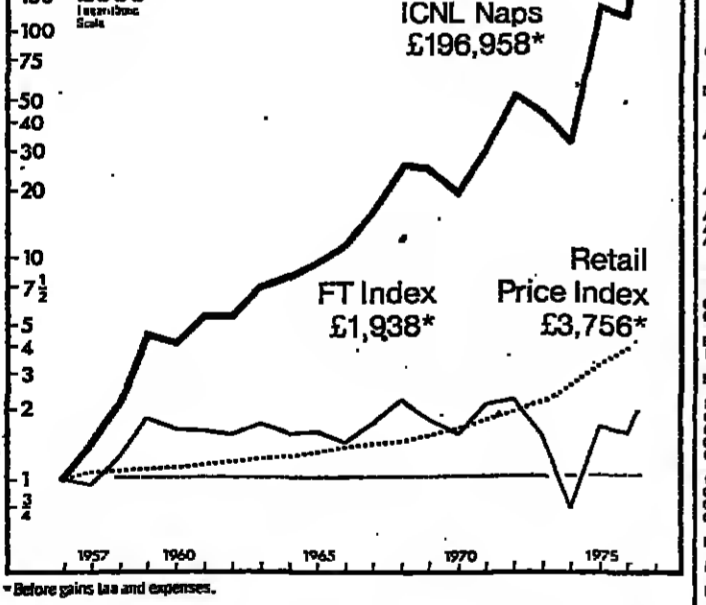
ments improved to £147,000 from £282,000. In his annual statement, Mr. Nicholas Goodison, chairman, stresses the disappointing effect of last year's peak interest rates—of 14 per cent for bank base rates and 17 per cent for long-term gilt-edged yields—had on the raising of capital by industry.

Lancashire showground for sale

THE ROYAL LANCASHIRE Agricultural Society is to sell its 180-acre permanent showground at Wren Green, near Preston, Lancashire.

SE improves operating results by £2.2m.

At the same time, we are taking a much more public attitude in the day-to-day supervision of orderly markets.



At the beginning of every year, the ICNL Naps Letter selects a number of shares for capital gain over the following twelve months—the Star Naps Selections.

The chart above shows the cumulative 12-month performance of each year's Star Selections over the last 20 years plus the performance to date of the 1977 Star Selections which are already showing an average gain of 65.5% led by Serck, up from 43p to 95p.

You may have missed these past opportunities, but you can make sure that you do not miss them in future by subscribing now to the ICNL Naps Letter.

Subscription form for ICNL Naps Letter. Includes fields for name, address, and a coupon to order the subscription.

DON'T BE LEFT FURTHER BEHIND IN 1977

Table of foreign stocks and commodities available in London. Lists various international securities and their prices.

Large table of financial data, including company names, share prices, and other market information. Includes sections for various companies and financial metrics.

FFI TERM DEPOSITS. Deposits of £1,000-£25,000 accepted for fixed terms of 6 years. Interest paid gross half-yearly. Rates for various terms.

Copy 1250

Table of financial data including company names, share prices, and market indicators. Includes sections for 'LOCAL AUTHORITY BOND TABLE' and 'BUILDING SOCIETY RATES'.

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\* From June 1, 1977. \*\* Rates normally variable in line with changes in ordinary share rates. † Money-maker Shares. ‡ Rates from May 1977.

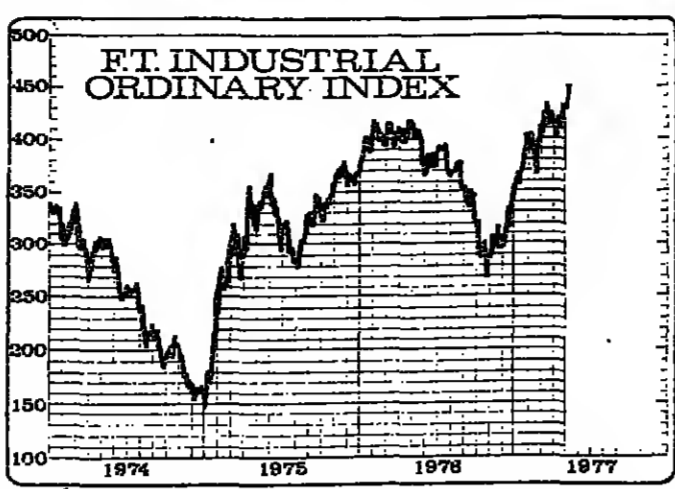
Equities buoyant and index rise of 6.8 to 450.1 takes advance over last six months to nearly 70 per cent

Account Dealing Dates

First Declared Last Account Dealings Dates: Apr. 17, May 19, May 20, May 21, May 22, Jun. 9, Jun. 10, Jun. 21

Further widespread and often substantial gains in equities featured stock markets at the end of Account Dealing. A cautious opening... The FT Industrial Ordinary share index, 450.8 at its best of the day at noon, ended 6.8 up at 450.1 for a rise on the Account Dealing...

of U.S. Prime Rates were also anticipated in contrast to market... The FT Industrial Ordinary share index, 450.8 at its best of the day at noon, ended 6.8 up at 450.1 for a rise on the Account Dealing...



Perpetuating views that recent comment on profit margins have been overstated, the big bank shares advanced... The FT Industrial Ordinary share index, 450.8 at its best of the day at noon, ended 6.8 up at 450.1 for a rise on the Account Dealing...

HP's firm... Perpetuating views that recent comment on profit margins have been overstated, the big bank shares advanced... The FT Industrial Ordinary share index, 450.8 at its best of the day at noon, ended 6.8 up at 450.1 for a rise on the Account Dealing...

Beecham up again... Another lively trade occurred in Beecham, which closed 5 higher at 40p... The FT Industrial Ordinary share index, 450.8 at its best of the day at noon, ended 6.8 up at 450.1 for a rise on the Account Dealing...

ponents, rising 11 more to 112p on further speculative demand in a thin market... The FT Industrial Ordinary share index, 450.8 at its best of the day at noon, ended 6.8 up at 450.1 for a rise on the Account Dealing...

Subdued Mines... Mining markets ended the week in subdued fashion, unaffected by the rise in the industrial sector... The FT Industrial Ordinary share index, 450.8 at its best of the day at noon, ended 6.8 up at 450.1 for a rise on the Account Dealing...

FINANCIAL TIMES STOCK INDICES

Table with columns for various stock indices (Government, Industrial, etc.) and their values for different dates (May 5, 6, 7, 1977).

10 a.m. 443.8, 11 a.m. 448.0, Noon 450.4, 1 p.m. 449.3, 2 p.m. 450.1, 3 p.m. 450.1, 4 p.m. 450.1, 5 p.m. 450.1

HIGHS AND LOWS

Table showing Highs and Lows for various stock indices and sectors like Govt. Secs., Fixed Int., etc.

S.E. ACTIVITY

Table showing S.E. Activity for various stock indices and sectors like Govt. Secs., Fixed Int., etc.

Jubilee poem by Betjeman

THE poet laureate has composed verse to link the work of the great English poets for a BBC television programme to mark the Queen's Jubilee. It is to be transmitted on May 31. The programme blends aerial photography of England through the seasons with English poetry and music and is narrated by John Betjeman reads his own linking verses.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Large table titled 'FT-ACTUARIES SHARE INDICES' with columns for Equity Groups, Index No., Day's Change, etc. It lists various equity groups like Capital Goods, Building Materials, etc.

RECENT ISSUES

EQUITIES

Table listing recent equity issues with columns for Issue, Amount, Date, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue, Amount, Date, etc.

RIGHTS OFFERS

Table listing rights offers with columns for Issue, Amount, Date, etc.

ACTIVE STOCKS ON THE WEEK

Table listing active stocks on the week with columns for Stock, Denomination, Closing, Change, etc.

YESTERDAY

Table listing stock activity for yesterday with columns for Stock, Denomination, Closing, Change, etc.

NEW HIGHS AND LOWS FOR 1977

Table listing new highs and lows for 1977 for various stock indices and sectors.

RISES AND FALLS

Table listing rises and falls for various stock indices and sectors.

OPTIONS TRADED

Calls were arranged in Lloyds and Scottish Allied Polymer, Mount Charlotte, J. Waddington, Capital and Counties Property, Invergordon Distillers, Cavenham Warrants, Bridgend Processes, Hinghamth Mine, etc.

DEALING DATES

First Last Last For Deal-Deal-Declara-Settle-ings: May 17, May 20, Aug 18, Aug 21, May 31, Jun 20, Sep 1, Sep 13

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions.

By 10.15

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts including Abbey Unit Tr. Mgrs. Ltd., Allied Member Group, Arbutnot Securities Ltd., and various other trusts with their respective managers and performance data.

Table of Offshore and Overseas Funds including Kemp-Gee Management Jersey Ltd., Keyesley Mgt. Jersey Ltd., and various international investment funds.

Advertisement for Lawson High Yield Fund featuring a large '11.6%' yield claim and text describing the fund's performance and investment strategy.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds including various life insurance policies, property insurance, and bond offerings from companies like Sun Alliance and Prudential.

Advertisement for Clive Investments Limited, featuring the Clive Index and Clive Fixed Interest Income, with contact information for the company.



Joyce 1550

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft related stocks, including companies like British Leyland and Rover, with columns for stock price, price change, and volume.

PROPERTY - Continued

Table of property-related stocks, including companies like British Land and National Westminster, with columns for stock price, price change, and volume.

TRUSTS - Continued

Table of trust-related stocks, including companies like British Trustee and National Trust, with columns for stock price, price change, and volume.

TRUSTS - Continued

Table of trust-related stocks, including companies like British Trustee and National Trust, with columns for stock price, price change, and volume.

SUMITOMO HEAVY INDUSTRIES, LTD. Tokyo, Japan. For ocean development, systems engineering, and environment protection.

MINES - Continued. Table listing various mining companies and their stock prices.

AUSTRALIAN. Table listing Australian companies and their stock prices.

TTNS. Table listing TTNS companies and their stock prices.

COPPER. Table listing copper-related companies and their stock prices.

MISCELLANEOUS. Table listing various miscellaneous companies and their stock prices.

NOTES. Text providing information about the listed companies and their financial details.

TEAS. Table listing tea-related companies and their stock prices.

Sri Lanka. Table listing Sri Lanka companies and their stock prices.

AFRICA. Table listing African companies and their stock prices.

MINES. Table listing mining companies and their stock prices.

EASTERN RAND. Table listing Eastern Rand companies and their stock prices.

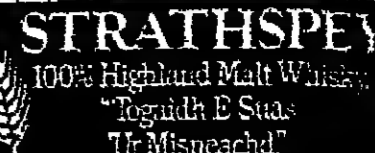
FAR WEST RAND. Table listing Far West Rand companies and their stock prices.

O.F.S. Table listing O.F.S. companies and their stock prices.

FINANCE. Table listing finance-related companies and their stock prices.

Regional Markets. A selection of London quotations of shares previously listed only in regional markets. Most of them are not officially listed in London, as are quoted on the Irish exchange.

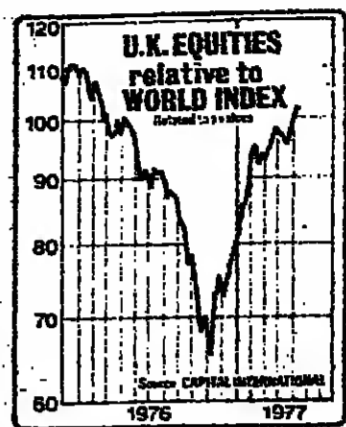
Options. 3-month Call rates. A selection of Options traded is given on the London Stock Exchange Report page.



THE LEX COLUMN

Big funds swing back to shares

Index rose 6.8 to 450.1



Once again May is seeing the stock market push in new peaks for the year so far.

But the market's performance has looked impressive in the last week or so.

It seems that the big institutional funds are turning back towards equities.

To some extent the institutions are now changing their stance.

The EEC raised \$500m. on the Eurobond market last year, but issues of this size are rare.

Whether arranged publicly or privately, the issue is likely to have a sharp impact on the market.

There was an extremely sceptical response by the authorities in London yesterday to speculation about a possible currency revaluation after this week-end's meetings.

Guilder firmer

There had been similar speculation before the previous two Summits.

The guilder closed firmer against the dollar at Fls.2.4412, compared with Fls.2.4425 before.

The European Economic Community is understood to have nearly completed plans to issue an international bond of up to \$500m.

EEC likely to make \$500m. bond issue

By Mary Campbell and Guy de Jonquieres

THE EUROPEAN Economic Community is understood to have nearly completed plans to issue an international bond of up to \$500m.

An official announcement of the borrowing which will be for five years and will bear a rate of interest is expected in the next few days.

The EEC raised \$500m. on the Eurobond market last year, but issues of this size are rare.

Whether arranged publicly or privately, the issue is likely to have a sharp impact on the market.

Record volume

Factors behind the recent weakness include the record new issue volume in the last six weeks—available funds for investment have been more than used up recently.

It was felt in the market yesterday that unless the interest rate was generous, there would be considerable difficulty placing an issue of \$500m.

The proceeds of the issue are to be sent to Italy by March 1978.

The British credit was part of a \$1.5bn. loan made to Italy by EEC central banks in March 1974.

Summit assembles, but Giscard boycotts dinner

BY REGINALD DALE AND PETER RIDDELL

WESTERN LEADERS gathered in London last night for the week-end's Downing Street Summit, at which they hope to chart the course of the international economy in the months ahead.

The talks opened with a private dinner at No. 10 for the Heads of Government of the U.S., Canada, West Germany, Italy, and Japan.

The only absentee was President Valéry Giscard d'Estaing of France, who confirmed in a Paris interview that he was boycotting the dinner in protest at the presence of Mr. Roy Jenkins.

No shadow

The French President claimed the invitation to Mr. Jenkins violated an EEC agreement that the Commission would be present only when the Summit discussed policy matters for

which the Community had responsibility.

Most of today's sessions—without Mr. Jenkins—will be concerned with a broad review of the world economic situation.

It is expected that today's talks will cover the more political areas of non-proliferation and human rights.

The twin problems of inflation and unemployment are expected to overshadow the talks.

The Finance Ministers are due to meet for lunch on Sunday, but no specific new initiative is expected.

U.S. will not co-sponsor Rhodesia talks—Nkomo

BY BRIDGET BLOOM

THE United States will not co-sponsor a constitutional conference on Rhodesia, although it is ready to provide any assistance which Britain may need in the latest effort to find a settlement.

The claim was made to London by Mr. Joshua Nkomo, joint leader of the African Patriotic Front, immediately after he had had a 50-minute meeting with Mr. Cyrus Vance, U.S. Secretary of State.

Neither the U.S. nor Britain would comment directly on Mr. Nkomo's remarks. A joint statement issued after talks between Mr. Owen, Foreign Secretary, and Mr. Vance said the two Governments were in full agreement on strategy for the next stage of the Rhodesia initiative.

It appears that Mr. Nkomo is at least partially right. The U.S. and U.K. Governments have agreed that there must be several weeks if not months of bilateral negotiations between Britain and all the parties in Africa designed to work out a future Rhodesian constitution.

The conference will be no full-scale conference unless these bilateral

negotiations produce agreement on a constitution.

Mr. Botha is understood to have taken the exception to the report that Mr. Young's two-day visit, scheduled for May 19-20, would include meetings with black leaders in South Africa.

Mr. Botha is understood to have taken the exception to the report that Mr. Young's two-day visit, scheduled for May 19-20, would include meetings with black leaders in South Africa.

The intervention is to put a question mark against Mr. Young's proposed visit. It also increased the strain in relations between the South African and U.S. Governments over the provocative stance taken by Mr. Young towards the South African Government.

Carter officials concerned over new steel price rise

BY STEWART FLEMING

NEW YORK, May 6.

THE PROSPECT of a confrontation between the new Carter administration and the steel industry over pricing policy emerged today with an announcement from Republic Steel, the country's fourth largest steel producer.

Within an hour of the Republic Steel statement the Government's Council on Wage and Price Stability said that it considered the Republic Steel increase too high.

Mr. Speer earlier this week told shareholders that U.S. Steel, which has frequently led industry steel prices and dominates the

industry, was likely to raise prices within 35 to 40 days.

In spite of Mr. Lance's remarks, there have been clear indications from Administration officials of their concern about the impact of increased steel prices on the economy and in particular on price inflation.

Mr. Speer earlier this week told shareholders that U.S. Steel, which has frequently led industry steel prices and dominates the

industry, was likely to raise prices within 35 to 40 days.

Weather

U.K. TO-DAY: SUNNY SPELLS and scattered showers.

Business Centres: Alexandria S 24-28, Madrid C 12-18, Athens S 22-27, London S 15-21, Paris S 14-19, Rome S 16-21, Tokyo S 23-28.

Table with columns for location, temperature, and weather conditions for various cities.

Continued from Page 1

Pay pact may be delayed

and incentives which had built up within the engineering industry during the period of rigorous pay control.

Mr. Booth said he took encouragement from the fact that the committee might be recalled later in the year to consider any TUC-Government deal on wage restraint.

Moderates within the committee hope such a meeting can be used to reverse the policy decision for a return to free collective bargaining on August 1.

"The important thing is that we should go on talking about the form of policy rather than trying to nail down any figures at this stage."

In spite of the rejection of "kitty bargaining" by Mr. Hugh Scanlon, President of the AUEW, Mr. Booth insisted that the idea was still firmly on the table.

This should be used to reward skill and responsibility and allow managers not representing by trade unions to recover some of their cost pay differentials.

Pacific markets in mind? It's NBNZ time. Advertisement for National Bank of New Zealand.

The National Bank of New Zealand. Advertisement text.

Handwritten scribble at the bottom of the page.